

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**SUNDRY NOTICES AND REPORTS ON WELLS**
**Do not use this form for proposals to drill or to re-enter an
abandoned well. Use Form 3160-3 (APD) for such proposals.**FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 20145. Lease Serial No.
NMNM029029

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Pierce Production Company

3a. Address

P. O. Box 2079; Midland, Texas 79702-2079

3b. Phone No. (include area code)

(432)570-6009

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No.
GPS Federal #19. API Well No.
30-025-22768

10. Field and Pool or Exploratory Area

Brunson Drinkard Abo, South

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1980' FEL & 660' FSL; Section 6 - T22S - R38E

11. County or Parish, State

Lea

New Mexico

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input checked="" type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Well currently producing excessive amounts of formation water from existing Abo perforations 7,144' - 7,297'. Water analysis seems to indicate previously squeezed Blinbry perms 5,820' - 6,332' could be leaking excess water into currently producing Abo formation. Intend to TIH w/packer and retrievable bridge plug to isolate and test squeezed off Blinbry perms. If perms are leaking, will re-squeeze Blinbry perms. Will then return well to producing from existing Abo perforations 7,144' - 7,297'. If squeezed off Blinbry perms are not leaking; isolate where excess water production is entering well bore and squeeze off same. Return well to producing from existing Abo perforations 7,144' - 7,297'. Estimated starting date for operation to commence December 2015 pending approval of WI partners for proposed operation. Duration of operation expected to be two weeks. Will continue producing well until all BLM and WI partner approval is recieved.

WITNESS **SUBJECT TO LIKE** **SEE ATTACHED FOR**
APPROVAL BY STATE **CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

W. A. Pierce

Title Engineer

Signature

Date 09/04/2015

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Office

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

APPROVED

SEP 24 2015

BUREAU OF LAND MANAGEMENT

CARLSBAD FIELD OFFICE

OCT 13 2015

Conditions of Approval

Pierce Production Company
GPS - 01, API 3002522768
T22S-R38E, Sec 06, 660FSL & 1980FEL
September 24, 2015

1. Before casing or a liner is added, replaced, or repaired prior BLM approval of the design is required. Use notice of intent Form 3160-5.
2. Subject to like approval by the New Mexico Oil Conservation Division.
3. Use of class "H" cement at depths greater than 7500ft & "C" at depths less than 7500ft will be necessary. Class "C" squeeze cement is to be mixed 14.8#/gal, 1.32 ft³/sx, 6.3gal/sx water and "H" mixed 16.4#/gal, 1.06ft³/sx, 4.3gal/sx water.
4. Surface disturbance beyond the existing pad shall have prior approval.
5. A closed loop system is required. The operator shall properly dispose of drilling/circulating contents at an authorized disposal site. Tanks are required for all operations, no excavated pits.
6. Functional H₂S monitoring equipment shall be on location.
7. 3000 (3M) Blow Out Prevention Equipment to be used. All BOPE and workover procedures shall establish fail safe well control. Blind ram(s) and pipe ram(s) designed to close on all workstring diameters used is required equipment. A manual BOP closure system (hand wheels) shall be available for use regardless of BOP design. Function test the installed BOPE to 500psig when well conditions allow. Related equipment, (choke manifolds, kill trucks, gas vent or flare lines, etc.) shall be employed when needed for reasonable well control requirements.
8. All waste (i.e. trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.
9. The Well Completion report dated 07/15/2015 does not list the open Drinkard perforations of 01/10/1989. The subsequent report is not scanned into the NMOCD wellfile and was found in the BLM wellfile. A copy of that sundry is attached to these conditions of approval. Resubmit the BLM Form 3160-4 reflecting post workover wellbore conditions, including disposition of gas, summary of porous zones, and formation log markers.
10. After drilling out the squeezed perms, **perform a charted casing integrity test** of 500psig minimum. Document the pressure test on a one hour full rotation calibrated (within 6 months) recorder chart registering within 25 to 85 per cent of its full range. **Verify all**

annular casing vents are plumbed to the surface and open during this pressure test. Call BLM 575-393-3612 and arrange for a BLM witness of that pressure test. Include a copy of the chart in the subsequent sundry for this workover.

11. Provide BLM with an electronic copy (Adobe Acrobat Document) cement bond log record from 6800 or below to top of cement taken with 0psig casing pressure. The CBL may be attached to a pswartz@blm.gov email. The CFO BLM on call engineer may be reached at 575-706-2779.
12. Workover approval is good for 90 days (completion to be within 90 days of approval). A legitimate request is necessary for extension of that date.
13. Submit a (BLM Form 3160-5 subsequent report (daily reports) via BLM's Well Information System; <https://www.blm.gov/wispermits/wis/SP> (email pswartz@blm.gov for operator setup instructions) describing all wellbore activity and Mechanical Integrity Test. Include the date(s) of the well work, and the setting depths of installed equipment.
14. Submit the BLM Form 3160-4 Recompletion Report within 30 days of the date all BLM approved procedures are complete.

This well's recorded activity has been nonproductive/inactive/shut-in for more than 30 days without authorization. An inactive/shut-in well bore is a non-producing completion that is capable of "beneficial use" i.e. production in paying quantities or of service use. Return the well to "beneficial use" on or before 01/05/2016 in an acceptable wellbore integrity condition.

- Submit evidence to support your determination that active "beneficial use" exists for BLM approval on the Sundry Notice Form 3160-5 (the original and 3 copies).
- Should "beneficial use" not be achieved submit for BLM approval a plan for plug and abandonment.

Access information for use of Form 3160-5 "Sundry Notices and Reports on Wells"

NM Fed Regs & Forms - http://www.blm.gov/nm/st/en/prog/energy/oil_and_gas.html

§ 43 CFR 3162.3-2 Subsequent Well Operations.

§ 43 CFR 3160.0-9 (c)(1) Information collection.

§ 3162.4-1 (c) Well records and reports.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPlicate*
(Other instructions on re-
verse side)

Form approved.
Budget Bureau No. 1004-0135
Expires August 31, 1985

5. LEASE DESIGNATION AND SERIAL NO

NM-029029

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Federal GPS

9. WELL NO.

1

10. FIELD AND POOL, OR WILDCAT

Blincy-Wantz Abo/Drinkard

11. SEC., T., R., S., OR BLK. AND
SURVEY OR AREA

Sec. 6, T22S, R38E

12. COUNTY OR PARISH

Lea

13. STATE

New Mexico

1. OIL WELL ☒ GAS WELL ☐ OTHER ☐

2. NAME OF OPERATOR

American Exploration Company

3. ADDRESS OF OPERATOR

2100 RepublicBank Center, Houston, Texas 77002

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*
See also space 17 below)

At surface

1980' FEL & 660' FSL of Sec. 6, T22S, R38E, Lea Co., N.M.

14. PERMIT NO

15. ELEVATIONS (Show whether DF, RT, CR, etc.)

3358.5'

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

FRACTURE TREAT

SHOOT OR ACIDIZE

REPAIR WELL

(Other)

PULL OR ALTER CASING

MULTIPLE COMPLETION

ABANDON*

CHANGE PLANE

SUBSEQUENT REPORT OF:

WATER SHUT-OFF

FRACTURE TREATMENT

SHOOTING OR ACIDIZING

(Other)

REPAIRING WELL

ALTERING CASING

ABANDONMENT*

(NOTE: Report results of multiple completion on Well
Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

1/20/89 Perforated the Drinkard Formation at 6,769', 34', 6,694', 74', 66', 56'
44', 30', 26', 16', 14', 08', 6,600', 6598', 90', 69', 67', 46', 38'. Set
RBP at 6,850', pkr. 6,835'. Acidized across perms. 6,546-6,769'. Recovered
load wtr. and returned well back to production on pump at rate of 26 BO, 28 BW.

RECEIVED

MAR 6 9 46 AM '89

CARLSBAD
AREA OFFICE



18. I hereby certify that the foregoing is true and correct

SIGNED

Marty McClanahan

TITLE

Sr. Prod. Analyst

DATE 2/20/89

(This space for Federal or State office use)

APPROVED BY

(ORIG. SGD.) DAVID R. GLASS

TITLE

DATE

CONDITIONS OF APPROVAL

CARLSBAD, NEW MEXICO See Instructions on Reverse Side

Operator: Pierce Production Company
Surface Lease: NM029029 BHL: NM029029
Case No: NM029029 Lease Agreement

Subsurface Concerns for Casing Designs: , , , ,

Well Status: Oil
Spud date: 09/18/1968
WDW, Rt of Way: 0
Admn Order, date: 0
Formation, Depths, psig: 0

Well: FEDERAL GPS-1
API: 3002522768
@ Srfce: T22S-R38E,06.660s1980e
@ M TD: T22S-R38E,06.660s1980e

KB: 3377
GL: 3366
Corr: 11

Estate: P\FF

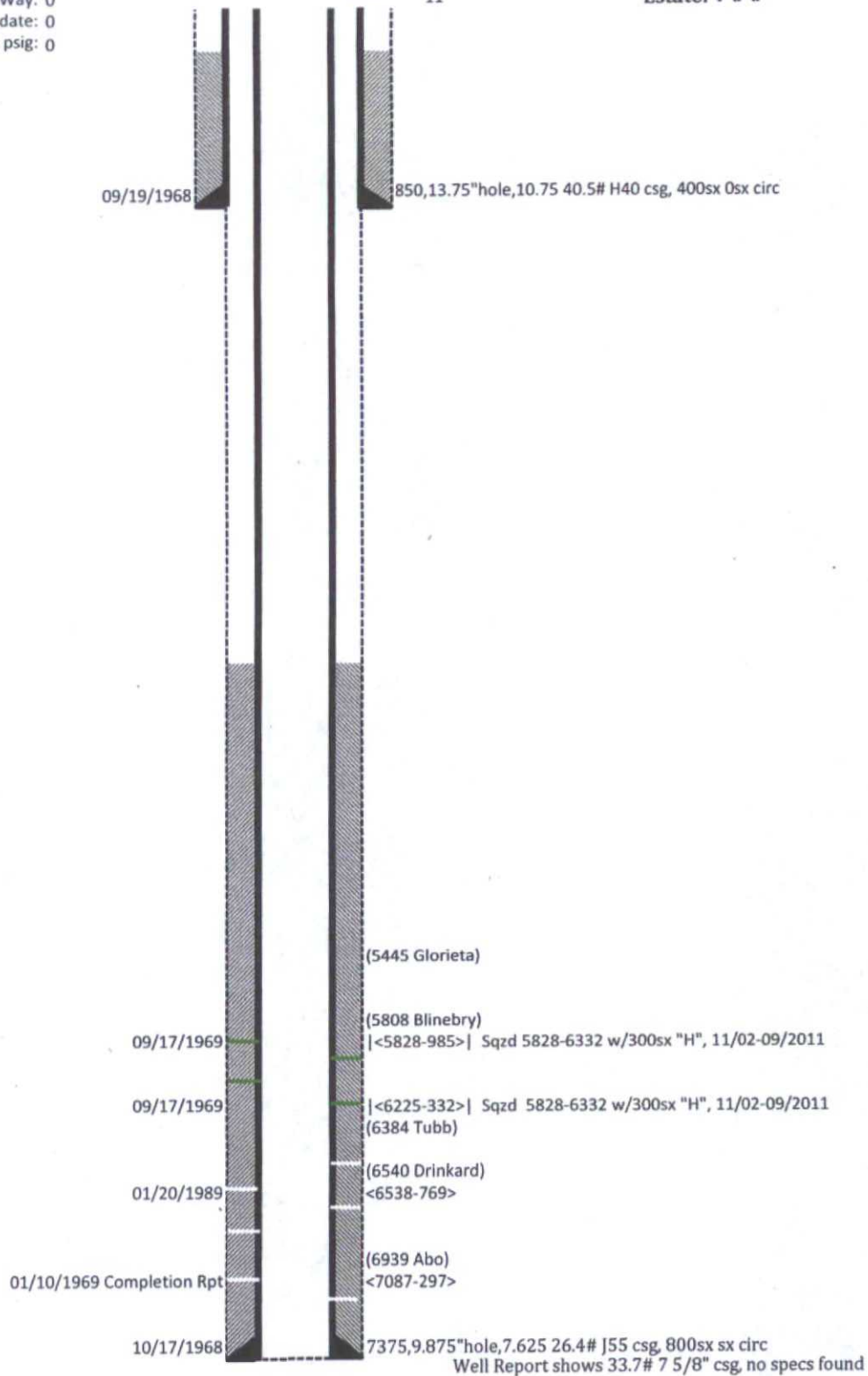


Diagram last updated: 09/23/2015